

Table 1.25
Comparison of macroeconomic variables of a uniform stress test^a, Israel and selected economies

| | Israel | | US | | Canada | | UK | | Europe | |
|---|-----------------------|------------------------|-----------------------|------------------------|-----------------------|------------------------|-----------------------|------------------------|-----------------------|------------------------|
| Main macroeconomic variables | Starting point | Stress scenario | Starting point | Stress scenario | Starting point | Stress scenario | Starting point | Stress scenario | Starting point | Stress scenario |
| GDP - Maximum contraction ^b in the stress scenario | | 4.0% | | 3.7% | | 4.9% | | 3.5% | | 2.3% |
| Unemployment rate - Maximum level in the stress scenario | 6.9 | 11.7 | 7.3 | 11.3 | 7.3 | 12.6 | 7.2 | 11.8 | 10.7 | 13.0 |
| Monetary interest rate ^c - Maximum level in the stress scenario | 1.25 | 6.7 | 0.0 | 0.1 | 1.1 | 0.3 | 0.5 | 4.2 | - | - |
| Stock index - Maximum change of the leading index in each country | | -50% | | -50% | | -32% | | -28% | | -20% |
| Home prices - Maximum change during the stress scenario | | -20% | | -25% | | -33% | | -35% | | -12% |

^a Duration of the scenario: Israel and US - 9 quarters; UK and Europe - 3 years; Canada - 5 years.

^b Duration of contraction in GDP: Israel and US - During one year; UK - During two years; Canada and Europe - During 3 years.

^c Data regarding the ECB's monetary interest rate were not published in the stress scenario carried out in Europe. However, it was noted that the inter-bank short-term interest rates increase by 80 basis points.

SOURCE: Israel - Bank of Israel; US - Federal Reserve; Canada - IMF FSAP; UK - Bank of England; Europe - European Banking Authority.